

BANK AND TRUST DIVISION



Donald P. Mann
Deputy Commissioner/Director

Joseph E. Petterson
Assistant Director
Examinations Unit

Darwyn V. Sanborn
Assistant Director
Corporate Regulatory Services Unit

Carolyn E. Such
Secretary to Deputy Commissioner/
Director

Allie Jones
Secretary to Assistant Director

Steven D. Cutshaw
Corporate Specialist

Linda K. Hansen
Corporate Specialist

Sandra I. Slee
Corporate Specialist

AUTHORITY

The Bank and Trust Division is primarily responsible for the regulation and supervision of Michigan's 127 state banks and 2 safe deposit companies under authority of 1969 Public Act No. 319 (the Michigan Banking Code of 1969), as amended; 5 state savings banks, pursuant to 1996 Public Act No. 354 (the Michigan Savings Bank Act); and 9 Business and Industrial Development Corporations (BIDCOs), pursuant to 1986 Public Act No. 89, as amended. The division's major focus is to ensure that financial institutions under its supervision satisfy the public need for financial services, and operate in a safe and sound manner.

ORGANIZATION

During 1997, as part of reorganizing efforts within the Bureau, a number of changes occurred in the Bank and Trust Division. Mr. Donald P. Mann, division director, was appointed deputy commissioner for the Bureau. Mr. Mann continues to serve as division director, and will also serve as a member of the Bureau's senior management administrative team.

In May 1997, the division assumed responsibility for activities previously performed by the Bureau's Corporate Regulatory Services Division. These activities involve ensuring that the structural changes sought by financial institutions are consistent with safe and sound business practices, applicable laws, Bureau policies, and Departmental mission and goals. The division's new corporate section, under the direction of Assistant Bank and Trust Director Darwyn Sanborn (former director of the Corporate Regulatory Services Division), processes a wide variety of applications, conducts research, and reviews and investigates issues of concern to the division, Bureau, and Michigan financial community.

Another element of the reorganization involved the division assuming responsibility for the regulation and supervision of Michigan's 9 BIDCOs. As a nondepository institution, the role of a BIDCO is to help meet the financing assistance and management assistance needs of business firms in the State of Michigan.

Finally, the division realigned its examination regions, reducing the number of regions to 4: East Region; Central Region; West Region; and the Upper Peninsula Region. As part of this realignment, former Senior Review Examiner Stephen Trembath assumed the role of regional supervisor for the restructured West Region. The regional realignment accommodates the reduction in banks under supervision and provides better utilization of division resources.

EXAMINATIONS

The division meets its regulatory and supervisory responsibilities by conducting annual examinations and periodic visitations on those institutions under its regulatory control. During 1997, all state-chartered banks, savings banks, and BIDCOs were examined at least once by either representatives of the division, the Federal Deposit Insurance Corporation, or the Federal Reserve Banks of Chicago or Minneapolis. As of December 31, 1997, there were two banks on the division's "problem bank" list; no savings banks on the "problem" list; and 1 BIDCO on the "problem" list.

Although there were 6 new insured commercial banks opened during the year, the number of state-chartered commercial banks continued to decline in 1997. As of December 31, 1997, there were 127 insured state-chartered commercial banks, compared to 141 banks at year-end 1996. The reductions reflect a continuing trend of consolidation of bank holding company subsidiaries.

FINANCIAL DATA

As of December 31, 1997, state-chartered commercial banks posted total consolidated assets of \$ 87.2 billion, representing a 1.8 per cent increase over year-end 1996 totals. Asset quality for state-chartered commercial banks remained good. Total past due loans amounted to \$1.1 billion, or 1.7 per cent of total loans. Although total past due loans reflect a 27.8% increase, net loan losses amounted to only 0.35 per cent of average total loans.

Net income for 1997 reflected a continuation of an upward trend in bank revenues. As of year-end 1997, net consolidated income for state-chartered commercial banks amounted to \$1.2 billion, a 4 per cent increase of year-end 1996 totals. The average return on average assets for all state-chartered commercial banks was 1.42 per cent.

Equity capital in Michigan's state-chartered banks amounted to \$7.4 billion on a consolidated basis, representing a 1.7 per cent increase over year-end 1996 totals.

In addition to the 6 insured commercial banks chartered during 1997, there were 3 federal thrift institutions which converted to state-chartered savings banks during the year. This raises the number of state-chartered savings banks to 5 at year-end 1997.

As of December 31, 1997, state-chartered savings banks posted total consolidated assets of \$2.7 billion, representing a 4.8 % increase over the total for year-end 1996. Asset quality for state-chartered savings banks remained good. Total past due loans amounted to \$39.2 million, or 1 per cent of total loans. Equity capital in Michigan's state-chartered

savings banks amounted to \$229.4 million on a consolidated basis, representing a 7.1 per cent increase over year-end 1996 totals.

As of year-end 1997, net consolidated income for state-chartered savings banks amounted to \$28.1 million, representing a 1.03 per cent return on assets.

As of December 31, 1997, BIDCOs posted total consolidated assets of \$71.7 million, representing a 1.9 per cent increase from year-end 1996 totals. Total financing arrangements amounted to \$60.6 million, reflecting a 10.3 per cent increase over year-end 1996 totals. All BIDCOs were examined during 1997. Asset quality was satisfactory.

ACCREDITATION

The Bank and Trust Division is accredited by the Conference of State Bank Supervisors. The division was first accredited on April 28, 1986, and was re-accredited on February 9, 1993. The division will undergo a re-accreditation review during 1998.

STATISTICAL INFORMATION

The following pages contain financial and structural information relating to Michigan's state-chartered commercial banks, savings banks, BIDCOs, and safe deposit companies.

1997 BANK AND TRUST DIVISION FIELD PERSONNEL

EAST REGION

Gary L. Thielsen, Regional Supervisor

Thomas J. Battle
Kathleen M. Billmeier
James H. Brown II
C. Terry Callahan
Roger A. Lonsway
Shelley L. McCarthy

Kevin J. Pantera
William L. Pilkington
Susan A. Stieber
Chris Werwega
Joanne C. West

CENTRAL REGION

Curtis B. McMillin, Regional Supervisor

Robert G. Caruso
Gail A. Donovan
Patrick A. Holleran
Kirt L. Gundry
John J. Kolhoff

Karen K. Lawson
Patrick J. Lynch
Kathleen M. McDevitt
Charles J. Scott

WEST REGION

Stephen F. Trembath, Regional Supervisor

Rae L. Farris
Connie Gorsline
Donald R. Hermann
Karl J. Johnson
Charlie L. Kohler

Michael E. Mead
Bruce M. Ohland
Peter R. Oquist
Judy I. Ritter
Sheila J. Vigh

UPPER PENINSULA REGION

Gary D. Groves, Regional Supervisor

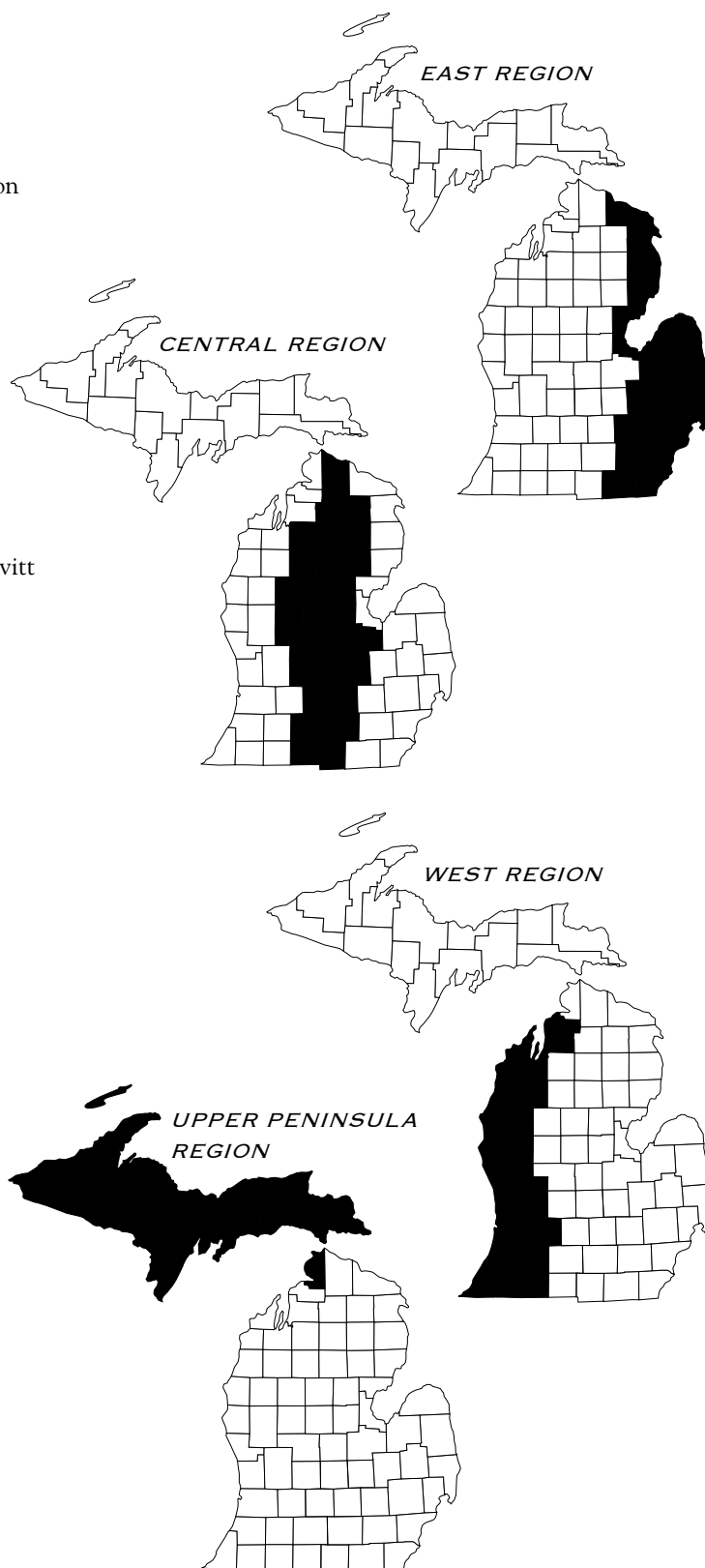
John M. Lyle
Linda S. Osstyn
David J. Theoret

TRUST ACTIVITIES SECTION

(STATEWIDE)

Michael J. Anderson, Trust Activities Supervisor

Walter P. Baier
Michael J. Friedrich



STATE BANKS

	1997	1996	1995	1994	1993
Number of state banks - January 1	141	141	158	161	167
Plus: Charters granted	6	6	1	2	0
Conversions from national to state	1	0	0	2	2
Conversions from federal savings bank	0	0	0	0	0
Less: Mergers/consolidations/purchases and assumptions	21	5	17	7	8
Receiverships/liquidations	0	0	0	0	0
Conversions - state to national	0	1	1	0	0
Conversions to federal savings banks	0	0	0	0	0
Number of state banks - December 31	127	141	141	158	161
Number of state bank branches	1,612	1,652	1,608	1,574	1,385

STATE SAVINGS BANKS

	1997	1996
Number of state savings banks - January 1	2	0
Plus: Charters granted	0	0
Conversions from federal savings banks	3	2
Less: Mergers/consolidations/purchases and assumptions	0	0
Conversions to federal savings banks	0	0
Number of state savings banks - December 31	5	2
Number of state savings bank branches	73	26

CONSOLIDATED BALANCE SHEET

OF STATE BANKS DECEMBER 31 (IN MILLIONS)

	1997 127 Banks	1996 141 Banks	Percentage Increase (Decrease)
ASSETS			
Cash and balances due from depository institutions	\$ 4,585	\$ 4,847	(5.41%)
Securities	12,049	13,628	(11.59%)
Federal funds sold and securities purchased under agreements to resell	1,964	812	141.87%
Net loans and leases	64,532	62,691	2.94%
Assets held in trading accounts	106	77	37.66%
Premises and fixed assets (including capitalized leases)	1,131	1,127	0.35%
Other real estate owned	41	51	(19.61%)
Investments in unconsolidated subsidiaries and associated companies	2	1	100.00%
Customers' liability on acceptances executed and outstanding	47	95	(50.53%)
Intangible assets	611	354	72.60%
Other assets	2,098	1,936	8.37%
Total Assets	\$ 87,166	\$ 85,619	1.81%
LIABILITIES			
Total deposits	\$ 61,580	\$ 63,055	(2.34%)
Federal funds purchased and securities sold under agreements to repurchase	2,660	3,558	(25.24%)
Demand notes issued to the U.S. Treasury	2,356	2,368	(0.51%)
Other borrowed money, including mortgage indebtedness and obligations under capitalized leases	10,145	6,643	52.72%
Bank's liability on acceptances executed and outstanding	47	95	(50.53%)
Notes and debentures subordinated to deposits	1,591	1,392	14.30%
Other liabilities	1,368	1,218	12.32%
Total Liabilities	\$ 79,747	\$ 78,329	1.81%
EQUITY CAPITAL			
Perpetual preferred stock	\$ 5	\$ 5	N/C
Common stock	413	434	(4.84%)
Surplus	2,740	2,514	8.99%
Undivided profits and capital reserves	4,261	4,337	(1.75%)
Total Equity Capital	\$ 7,419	\$ 7,290	1.77%
Total Liabilities and Equity Capital	\$ 87,166	\$ 85,619	1.81%

CONSOLIDATED STATEMENT OF INCOME

OF STATE BANKS AS OF DECEMBER 31 (IN MILLIONS)

	1997	1996	Percentage Increase (Decrease)
INTEREST INCOME:			
Interest and fee income on loans	\$ 5,403	\$ 5,220	3.51%
Interest from lease financing receivables	141	124	13.71%
Interest income on balances due from depository institutions	12	15	(20.00%)
Interest and dividend income on securities	846	1,030	(17.86%)
Interest income from assets held in trading accounts	2	2	N/C
Interest income on federal funds sold and securities purchased under agreements to resell	79	94	(15.96%)
Total Interest Income	\$ 6,483	\$ 6,485	(0.03%)
INTEREST EXPENSES:			
Interest on deposits	\$ 2,112	\$ 2,189	(3.52%)
Expense of federal funds purchased and securities sold under agreements to repurchase	213	251	(15.14%)
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	581	556	4.50%
Interest on mortgage indebtedness and obligations under capitalized leases	0	2	(100.00%)
Interest on notes and debentures subordinated to deposits	93	79	15.05%
Total Interest Expense	\$ 2,999	\$ 3,077	2.53%
Net interest income	\$ 3,484	\$ 3,408	2.23%
LESS: Provision for loan and lease losses	308	234	31.62%
Noninterest income	1,497	1,287	16.32%
Gains (losses) on securities not held in trading accounts	26	39	(33.33%)
NONINTEREST EXPENSES			
Salaries and employee benefits	\$ 1,394	\$ 1,284	8.57%
Expenses on premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	365	342	6.73%
Other noninterest expense	1,103	1,134	(2.73%)
Total Noninterest Expense	\$ 2,862	\$ 2,760	3.70%
Income (loss) before income taxes and extraordinary items and other adjustments	\$ 1,837	\$ 1,740	5.57%
LESS: Applicable income taxes	617	569	8.44%
Income (loss) before extraordinary items and other adjustments	1,220	1,171	4.18%
Extraordinary items (net of taxes)	0	0	N/C
Net Income	\$ 1,220	\$ 1,171	4.18%

STATE BANKS

AS OF DECEMBER 31 (OOOS OMITTED)

City	Name of Bank	Loans	Deposits	Assets
Adrian	Adrian State Bank	\$ 131,227	\$ 125,430	\$ 168,957
Adrian	Bank of Lenawee *	163,937	175,076	211,978
Alden	Alden State Bank	52,535	62,601	74,713
Alma	Bank of Alma	133,765	169,162	199,445
Alma	Commercial Bank	124,521	136,294	172,367
Ann Arbor	Ann Arbor Commerce Bank	115,882	127,852	138,390
Ann Arbor	Republic Bank	1,160,014	893,519	1,375,808
Ann Arbor	University Bank	46,393	45,395	57,568
Ann Arbor	Bank of Ann Arbor	53,175	72,105	81,900
Bad Axe	Signature Bank	111,308	142,374	163,588
Baldwin	Lake-Osceola State Bank	37,666	44,701	54,438
Bangor	The West Michigan Savings Bank	13,163	23,211	28,285
Bay City	Chemical Bank Bay Area *	93,362	171,967	204,531
Bay Port	Bay Port State Bank	28,185	30,517	33,232
Benton Harbor	Shoreline Bank	619,636	723,809	857,843
Beulah	Central State Bank	25,513	36,175	40,314
Big Rapids	Chemical Bank Central	59,605	74,698	85,756
Birmingham	Fidelity Bank	123,070	171,089	197,250
Blissfield	The Blissfield State Bank *	43,317	59,602	70,185
Bloomfield Hills	The Bank of Bloomfield Hills	80,409	96,188	104,894
Breckenridge	Farmers State Bank of Breckenridge *	69,276	85,718	95,358
Brighton	Brighton Commerce Bank	13,817	21,518	23,580
Brown City	Tri-County Bank *	70,291	88,758	97,735
Byron Center	Byron Center State Bank *	170,299	184,703	241,283
Cadillac	Chemical Bank West	51,488	66,802	77,984
Caledonia	State Bank of Caledonia *	60,970	77,472	89,924
Capac	Capac State Bank *	67,644	72,167	89,901
Caro	Community Bank	26,792	46,424	50,659
Caro	Chemical Bank Thumb Area	73,330	153,257	175,934
Caro	Independent Bank East Michigan	190,334	191,420	247,747
Carsonville	Exchange State Bank	52,026	62,721	71,751
Charlevoix	Charlevoix State Bank	31,055	40,781	43,949
Chelsea	Chelsea State Bank *	77,810	128,963	149,468
Clare	Chemical Bank Michigan *	103,879	197,961	232,248
Clinton Township	Macomb Community Bank	19,546	37,227	40,906
Coldwater	Century Bank and Trust	133,084	167,287	192,986
Coldwater	Southern Michigan Bank & Trust	158,741	207,567	234,679
Coloma	The State Bank of Coloma *	13,317	24,506	28,440
Croswell	Eastern Michigan Bank *	104,839	140,826	155,718
Dearborn	Community Bank of Dearborn	52,487	75,408	84,742
Decatur	First State Bank of Decatur	21,550	31,785	40,169
Detroit	Comerica Bank *	23,114,599	16,349,196	28,936,212
Detroit	NBD Bank *	16,618,802	16,412,567	21,946,699
East Tawas	Huron Community Bank *	67,140	87,658	95,821

STATE BANKS (CONTINUED)

City	Name of Bank	Loans	Deposits	Assets
Eastpointe	First State Bank of East Detroit	\$ 283,191	\$ 421,328	\$ 474,867
Escanaba	State Bank of Escanaba	42,145	77,476	94,764
Escanaba	Northern Michigan Bank	81,017	90,361	100,515
Ewen	The State Bank of Ewen *	19,361	25,795	31,648
Farmington Hills	Metrobank	73,438	90,134	101,048
Farmington Hills	Oakland Commerce Bank	69,513	75,549	81,835
Farwell	The Farwell State Savings Bank	41,985	55,937	69,560
Fenton	The State Bank	184,198	231,662	262,798
Flint	Citizens Bank *	3,355,761	3,496,380	4,197,476
Frankfort	State Savings Bank, Frankfort, Mich.	25,204	33,488	39,792
Freeland	Freeland State Bank	22,539	37,710	43,759
Gladstone	Bay Bank	31,345	41,640	46,623
Gladstone	First Bank, Upper Michigan	64,387	60,101	77,284
Grand Haven	Grand Haven Bank	35,770	41,298	45,320
Grand Rapids	United Bank of Michigan	134,303	145,687	176,405
Grand Rapids	Grand Bank	95,518	118,072	131,747
Grand Rapids	Founders Trust Personal Bank	48,412	53,102	61,937
Grand Rapids	Mercantile Bank of West Michigan	12,887	9,688	23,446
Grand Rapids	Select Bank	24,714	23,345	27,856
Grand Rapids	Old Kent Bank *	9,661,970	10,241,095	13,557,143
Grayling	Chemical Bank North	36,691	65,204	73,141
Hamtramck	Peoples State Bank	115,197	165,226	193,506
Harbor Springs	First Community Bank	55,200	64,798	72,876
Hastings	The Hastings City Bank	101,295	142,963	168,639
Holland	Paragon Bank & Trust	59,184	66,466	74,358
Honor	The Honor State Bank	61,174	89,329	99,068
Hudsonville	West Michigan Community Bank	54,310	57,128	66,191
Ionia	Independent Bank	241,886	251,652	348,137
Iron River	The Miners' State Bank of Iron River	20,547	30,125	33,841
Ishpeming	The Peninsula Bank of Ishpeming *	41,693	50,850	59,273
Kalamazoo	Keystone Community Bank	3,859	7,686	12,260
Kent City	Valley Ridge Bank *	92,417	105,272	130,724
Lake Odessa	Union Bank	58,058	72,585	82,804
Lakeview	Bank of Lakeview *	72,741	75,067	97,622
Lapeer	Lapeer County Bank & Trust Co. *	123,627	162,919	186,942
Leslie	Independent Bank - South Michigan	126,860	111,629	153,648
Manistique	North Country Bank and Trust	304,396	291,606	339,449
Manistique	The State Savings Bank of Manistique *	27,336	38,656	49,468
Marcellus	G. W. Jones Exchange Bank *	23,004	29,658	34,252
Marshall	Chemical Bank South	28,246	52,100	60,465
Mason	Mason State Bank	61,334	64,429	79,890
Mayville	The Mayville State Bank	52,735	61,535	67,578

STATE BANKS (CONTINUED)

City	Name of Bank	Loans	Deposits	Assets
Midland	Chemical Bank and Trust Company *	\$ 246,224	\$ 490,115	\$ 597,564
Monroe	Monroe Bank & Trust	631,591	802,226	941,126
Montrose	The Montrose State Bank	30,571	41,708	49,070
Mount Clemens	Community Central Bank	53,135	68,766	78,786
Mount Pleasant	Firstbank	80,875	81,151	95,247
Mount Pleasant	Isabella Bank and Trust *	217,249	286,787	316,617
Munising	Peoples State Bank of Munising	44,381	49,337	56,824
Munith	Farmers State Bank of Munith	33,766	37,614	43,033
New Baltimore	Citizens State Bank	27,143	67,575	77,393
New Buffalo	Alliance Banking Company	45,130	51,332	63,239
Norton Shores	Muskegon Commerce Bank	1,610	5,240	7,871
Novi	Michigan Heritage Bank	32,602	40,846	48,462
Onsted	The Onsted State Bank *	33,846	41,952	46,567
Ontonagon	The Citizens State Bank of Ontonagon *	21,187	33,032	39,319
Owosso	Chemical Bank Key State	83,207	109,574	132,429
Oxford	Oxford Bank	158,495	227,129	252,704
Port Austin	The Port Austin State Bank	14,480	22,435	26,482
Portage	Portage Commerce Bank	72,115	85,357	91,749
River Rouge	Omnibank *	28,700	40,462	42,038
Rockford	Independent Bank-West Michigan	207,092	152,754	233,786
Ruth	Ruth State Bank	9,522	25,074	28,528
Sault Ste. Marie	Central Savings Bank *	74,771	84,453	106,148
Schoolcraft	Kalamazoo County State Bank	36,327	43,481	51,569
Scottville	West Shore Bank	88,482	100,429	130,742
Shelby	The Shelby State Bank	65,534	96,190	106,723
Sidney	Sidney State Bank	28,529	33,126	39,856
Sparta	ChoiceOne Bank *	127,726	107,524	156,321
St. Charles	Community State Bank of St. Charles	57,092	83,517	94,384
St. Joseph	Pinnacle Bank	1,521,077	1,443,326	2,093,616
Stanton	Chemical Bank Montcalm	69,763	104,052	119,271
Stockbridge	Stockbridge State Bank	37,481	52,165	59,096
Taylor	Charter Bank	146,668	199,920	222,261
Tecumseh	United Bank & Trust	265,258	316,964	370,243
Troy	Crestmark Bank	22,383	25,103	32,078
Troy	Midwest Guaranty Bank *	77,179	95,806	105,371
West Branch	1st Bank	118,085	121,262	137,297
Zeeland	Macatawa Bank	498	2,712	10,722

* Member of the Federal Reserve System

UNINSURED STATE BANKS

AS OF DECEMBER 31, 1998 (OOOS OMITTED)

City	Name of Bank	Assets	Loans	Deposits
Auburn Hills	Automotive Financial Services, Inc.	\$72,748	0	\$71,039
Bloomfield Hills	Merrill Lynch Trust Bank of Michigan	\$3,2500	0	
Detroit	River Place Financial Corp.	\$9,869	\$1,297	\$7,130

SUMMARY OF STATE BANKS WITH CAMELS RATINGS OF 3, 4 AND 5

	Total Banks Supervised	Banks Removed From CAMELS 3, 4, and 5 Status	Banks Added To CAMELS 3, 4, and 5 Status	Banks Rated CAMELS 3, 4, or 5 as of Year End
1997	127	0	1	2
1996	141	2	1	1
1995	141	1	2	2
1994	158	5	0	1
1993	161	2	0	6

INSTITUTIONS AUTHORIZED TO EXERCISE TRUST POWERS

Institutions authorized to exercise full trust powers in accordance with sections 181 through 186 of the Michigan Banking Code of 1969, as amended and sections 421 through 426 of the Savings Bank Act.

City	Name of Institution
Alma	Bank of Alma
Ann Arbor	Bank of Ann Arbor
Benton Harbor	Shoreline Bank
Bloomfield Hills	Merrill Lynch Trust Bank of Michigan
Coldwater	Century Bank and Trust
Coldwater	Southern Michigan Bank & Trust
Detroit	Comerica Bank
Detroit	NBD Bank
Detroit	River Place Financial Corp.
Fenton	The State Bank
Flint	Citizens Bank
Grand Rapids	Founders Trust Personal Bank
Grand Rapids	Grand Bank
Grand Rapids	Old Kent Bank
Hastings	The Hastings City Bank
Holland Township	Paragon Bank & Trust
Lapeer	Lapeer County Bank & Trust Co.
Manistique	North Country Bank and Trust
Marcellus*	G. W. Jones Exchange Bank
Midland	Chemical Bank and Trust Company
Monroe	Monroe Bank & Trust
Mount Pleasant	Isabella Bank and Trust
St. Joseph	Pinnacle Bank
Schoolcraft*	Kalamazoo County State Bank
Taylor	Charter Bank
Tecumseh	United Bank & Trust
Traverse City	Northwestern Savings Bank & Trust

*Limited Trust Powers

CONSOLIDATED BALANCE SHEET

OF STATE SAVINGS BANKS AS OF DECEMBER 31, 1998 (IN MILLIONS)

	1997 5 Savings Banks	1996 2 Savings Banks	Percentage Increase (Decrease)
ASSETS			
Cash and balances due from depository institutions	\$ 90	\$ 13	592.31%
Securities	182	85	114.12%
Federal funds sold and securities purchased under agreements to resell	1	0	100.00%
Net loans and leases	2,346	931	151.99%
Assets held in trading accounts	0	0	N/C
Premises and fixed assets (including capitalized leases)	42	15	180.00%
Other real estate owned	2	1	100.00%
Investments in unconsolidated subsidiaries and associated companies	0	0	N/C
Customers' liability on acceptances executed and outstanding	0	0	N/C
Intangible assets	17	0	1700.00%
Other assets	22	11	100.00%
Total Assets	\$ 2,702	\$ 1,056	155.87%
LIABILITIES			
Total deposits	\$ 1,971	\$ 702	180.77%
Federal funds purchased and securities sold under agreements to repurchase	0	0	N/C
Demand notes issued to the U.S. Treasury	0	0	N/C
Other borrowed money, including mortgage indebtedness and obligations under capitalized leases	480	262	83.21%
Bank's liability on acceptances executed and outstanding	0	0	N/C
Notes and debentures subordinated to deposits	0	0	N/C
Other liabilities	22	9	144.44%
Total Liabilities	\$ 2,473	\$ 973	154.16%
EQUITY CAPITAL			
Perpetual preferred stock	\$ 0	\$ 0	N/C
Common stock	1	1	N/C
Surplus	105	18	483.33%
Undivided profits and capital reserves	123	64	92.19%
Total Equity Capital	\$ 229	\$ 83	175.90%
Total Liabilities and Equity Capital	\$ 2,702	\$ 1,056	155.87%

CONSOLIDATED STATEMENT OF INCOME

OF STATE SAVINGS BANKS AS OF DECEMBER 31 (IN MILLIONS)

	1997	1996
INTEREST INCOME		
Interest and fee income on loans	\$ 186	\$ 65
Interest from lease financing receivables	0	0
Interest income on balances due from depository institutions	2	1
Interest and dividend income on securities	12	6
Interest income from assets held in trading accounts	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	0	0
Total Interest Income	\$ 200	\$ 72
INTEREST EXPENSES		
Interest on deposits	\$ 87	\$ 29
Expense of federal funds purchased and securities sold under agreements to repurchase	0	0
Interest on demand notes issued to the U.S. Treasury and on other borrowed money	28	12
Interest on mortgage indebtedness and obligations under capitalized leases	0	0
Interest on notes and debentures subordinated to deposits	0	0
Total Interest Expense	\$ 115	\$ 41
Net interest income	\$ 85	\$ 31
LESS: Provision for loan and lease losses	2	0
Noninterest income	17	7
Gains (losses) on securities not held in trading accounts	0	0
NONINTEREST EXPENSES		
Salaries and employee benefits	\$ 30	\$ 11
Expenses on premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	9	4
Other noninterest expense	19	12
Total Noninterest Expense	\$ 58	27
Income (loss) before income taxes and extraordinary items and other adjustments	\$ 42	\$ 11
LESS: Applicable income taxes	14	3
Income (loss) before extraordinary items and other adjustments	28	8
Extraordinary items (net of taxes)	0	0
Net Income	\$ 28	\$ 8

STATE SAVINGS BANKS

AS OF DECEMBER 31 (OOOS OMITTED)

City	Name of Savings Bank	Loans	Deposits	Assets
Grand Rapids	Bank West	\$120,641	\$108,217	\$165,281
Holland	Ameribank	749,379	658,351	884,999
Lansing	Community First Bank	755,510	564,670	851,315
Port Huron	Citizens First Savings Bank	546,132	499,659	598,214
Traverse City	Northwestern Savings Bank & Trust	174,752	140,296	202,770

SAFE DEPOSIT COMPANIES

AS OF DECEMBER 31 (OOOS OMITTED)

City	Name of Depository	Assets
Eastpointe	First State Safe Deposit Box Company	\$ 127
Farmington Hills	The Depository	\$1,235

CHANGE IN CORPORATE NAME

City	From	To	Effective Date
Scottville	State Savings Bank of Scottville	West Shore Bank	5-05-97

CONSOLIDATIONS

City	Name of Institution	Effective Date
Algonac	The Algonac Savings Bank Consolidated with and into Old Kent Bank, Grand Rapids under the name Old Kent Bank	5-09-97
Boyne City	FMB-Northwestern Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Charlevoix	CB North Consolidated with and into Citizens Bank, Flint, under the name Citizens Bank	7-01-97
Dowagiac	FMB-Community Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Fremont	FMB-Old State Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Grand Rapids	FMB-First Michigan Bank-Grand Rapids Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Greenville	FMB-Commercial Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Hart	FMB-Oceana Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Holland	FMB-Trust Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Jackson	City Bank and Trust Company Consolidated with and into Citizens Bank, Flint, under the name Citizens Bank	7-01-97

CONSOLIDATIONS (CONTINUED)

City	Name of Institution	Effective Date
Kalamazoo	FMB-Arcadia Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Lowell	FMB-State Savings Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Manistee	FMB-Security Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Michigan City, IN	Community Bank, FSB Consolidated with and into Pinnacle Bank, St. Joseph, under the name Pinnacle Bank	8-01-97
Muskegon	FMB-Lumberman's Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Ontonagon	The First National Bank in Ontonagon Consolidated with and into North Country Bank, South Range, under the name North Country Bank	2-04-97
Portland	FMB-Maynard Allen Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Reed City	FMB-Reed City Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
Sault Ste. Marie	FMB-Sault Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97
St. Clair	The Commercial and Savings Bank of St. Clair County Consolidated with and into Old Kent Bank, Grand Rapids, under the name Old Kent Bank	5-09-97

CONSOLIDATIONS (CONTINUED)

City	Name of Institution	Effective Date
St. Johns	City Bank Consolidated with and into Citizens Bank, Flint, under the name Citizens Bank	7-01-97
St. Joseph	SJS Federal Savings Bank Consolidated with and into Shoreline Bank, St. Joseph, under the name Shoreline Bank	6-13-97
Troy	Huntington Banks of Michigan Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	6-30-97
Valparaiso, IN	Indiana Federal Bank for Savings Consolidated with and into Pinnacle Bank, St. Joseph, under the name Pinnacle Bank	8-01-97
Zeeland	FMB-First Michigan Bank Consolidated with and into The Huntington National Bank, Columbus, Ohio, under the name The Huntington National Bank	9-30-97

CONVERSIONS

City	Name of Institution	Effective Date
Holland	AmeriBank Converted from federal savings bank to state-chartered savings bank	7-25-97
Walker	Bank West Converted from federal savings bank to state-chartered savings bank	12-29-97
Taylor	Charter Bank Converted from national banking association to state-chartered bank	7-21-97

NEW BANKS

OPENED DURING THE LAST FIVE YEARS

City	Name of Institution	Initial Capital	Effective Date
1997			
Brighton	Brighton Commerce Bank	\$ 2,500,001	1-08-97
Grand Rapids	Mercantile Bank of West Michigan	\$11,000,000	12-15-97
Kalamazoo	Keystone Community Bank	\$ 4,750,000	7-30-97
Norton Shores	Muskegon Commerce Bank	\$ 2,643,006	12-03-97
Novi	Michigan Heritage Bank	\$ 7,500,000	3-10-97
Zeeland	Macatawa Bank	\$ 7,888,875	11-25-97
1996			
Ann Arbor	Bank of Ann Arbor	\$ 4,750,000	1-16-96
Bloomfield Hills	Merrill Lynch Trust Bank of Michigan	\$ 4,000,000	1-22-96
Clinton Township	Macomb Community Bank	\$ 3,708,005	9-18-96
Grand Rapids	Select Bank	\$ 3,500,000	2-07-96
Mount Clemens	Community Central Bank	\$ 7,500,000	10-28-96
Troy	Crestmark Bank	\$ 7,111,250	10-01-96
1995			
Grand Haven	Grand Haven Bank	\$ 2,500,000	5-01-95
1994			
Charlevoix	Charlevoix State Bank	\$ 2,500,000	8-16-96
Dearborn	Community Bank of Dearborn	\$ 3,800,000	2-28-94
1993			
None			

INTERSTATE ACQUISITIONS

Bank Holding Company/Subsidiary Name	City	Date Acquired
Capital Bancorp, Ltd.	Lansing	
Sun Community Bancorp, Ltd.	Tucson, AZ	5-22-97
First Financial Bancorp	Hamilton, OH	
Hastings Financial Corp.	Hastings	1-01-97
National Bank of Hastings	Hastings	
Huntington Bancshares, Inc.	Columbus, OH	
First Michigan Bank Corporation	Holland	9-30-97
FMB-Northwestern Bank	Boyne City	
FMB-Community Bank	Dowagiac	
FMB-Old State Bank	Fremont	
FMB-First Michigan Bank-Grand Rapids	Grand Rapids	
FMB-Commercial Bank	Greenville	
FMB-Oceana Bank	Hart	
FMB-Trust	Holland	
FMB-Arcadia	Kalamazoo	
FMB-State Savings Bank	Lowell	
FMB-Security Bank	Manistee	
FMB-Lumberman's Bank	Muskegon	
FMB-Maynard Allen Bank	Portland	
FMB-Reed City Bank	Reed City	
FMB-Sault Bank	Sault Ste. Marie	
FMB-First Michigan Bank	Zeeland	
Pinnacle Financial Services, Inc.	St. Joseph	
Indiana Federal Corporation	Valparaiso, IN	8-01-97
Indiana Federal Bank for Savings	Valparaiso, IN	
CB Bancorp	Michigan City, IN	8-01-97
Community Bank, FSB	Michigan City, IN	

INTRASTATE ACQUISITIONS

Bank Holding Company/Subsidiary Name	City	Date Acquired
Bay Bancorp, Inc. Bay Bank	Gladstone Gladstone	6-18-97
Capitol Bancorp, Ltd. Brighton Commerce Bank*	Lansing Brighton	1-08-97
Muskegon Commerce Bank*	Muskegon	12-03-97
Citizens Banking Corporation CB Financial Corporation City Bank and Trust Company City Bank CB North	Flint Jackson Jackson St. Johns Charlevoix	7-01-97
Ewen Bancshares, Inc. State Bank of Ewen	Ewen Ewen	8-12-97
First Manistique Corporation UP Financial, Inc. The First National Bank in Ontonagon	Manistique Ontonagon Ontonagon	2-04-97
Firstbank Corporation Lakeview Financial Corporation Bank of Lakeview	Alma Lakeview Lakeview	8-08-97
Mercantile Bank Corporation Mercantile Bank of West Michigan	Grand Rapids Grand Rapids	12-15-97
Michigan Heritage Bancorp, Inc. Michigan Heritage Bank	Novi Novi	3-10-97
Old Kent Financial Corporation Seaway Financial Corporation The Algonac Savings Bank The Commercial and Savings Bank of St. Clair County	Grand Rapids St. Clair Algonac St. Clair	1-01-97
Shoreline Financial Corporation SJS Bancorp, Inc. SJS Federal Savings Bank	Benton Harbor St. Joseph St. Joseph	6-13-97

*At least 51 per cent ownership

BUSINESS AND INDUSTRIAL DEVELOPMENT COMPANIES (BIDCO) LICENSEES

AS OF DECEMBER 31

	1997	1996
Licensees	9	9
Licensees examined	9	9
Provisions of financing assistance to agriculture firms	0	0
Financing assistance to agriculture firms	\$ 0	\$ 0
Provisions of financing assistance to mining firms	1	0
Financing assistance to mining firms	\$ 1,000,000	\$ 0
Provisions of financing assistance to construction businesses	7	0
Financing assistance to construction businesses	\$ 2,310,000	\$ 0
Provisions of financing assistance to manufacturing businesses	10	21
Financing assistance to manufacturing businesses	\$ 4,053,838	\$ 7,075,000
Provisions of financing assistance to transportation, communication, electricity, gas, and sanitary services businesses		
Financing assistance to transportation, communication, electricity, gas, and sanitary services businesses	\$ 500,000	\$ 1,987,500
Provisions of financing assistance to wholesale trade businesses	4	6
Financing assistance to wholesale trade businesses	\$ 1,450,000	\$ 2,471,250
Provisions of financing assistance to retail trade businesses	5	1
Financing assistance to retail trade businesses	\$ 2,385,873	\$ 320,000
Provisions of financing assistance to finance, insurance and real estate businesses	1	2
Financing assistance to finance, insurance, and real estate businesses	\$ 700,000	\$ 790,000
Provisions of financing assistance to service businesses	16	7
Financing assistance to service businesses	\$ 6,271,183	\$ 2,910,000
Provisions of financing assistance to nonclassifiable establishments	1	2
Financing assistance to nonclassifiable establishments	\$ 120,000	\$ 920,000
Total Financings for Period	46	45
Total Financing Assistance for the Period	\$ 18,790,894	\$ 16,473,750

BIDCOs (CONTINUED)

	1997	1996
Total provisions of financing assistance currently outstanding or committed	160	165
Total financing assistance currently outstanding	\$ 54,610,311	\$ 53,173,356
Total financing assistance committed but not outstanding	\$ 731,250	\$ 456,248
Provisions of financing assistance to minority-owned business firms	5	4
Financing assistance to minority-owned business firms	\$ 765,000	\$ 1,407,500
Provisions of financing assistance to women-owned business firms	4	1
Financing assistance to women-owned business firms	\$ 1,166,250	\$ 250,000
Estimated number of jobs created or retained *	677	741

* Estimates provided by licensees

BIDCOS LICENSEES

AS OF DECEMBER 31

City	Company
Detroit	Greater Detroit BIDCO, Inc.
Farmington Hills	Liberty BIDCO Investment Corporation ²
Farmington Hills	Michigan BIDCO, Inc. ³
Jackson	Horizon BIDCO Investment Co. ¹
Lansing	Access BIDCO, Inc.
Lansing	Capital BIDCO, Inc.
Lansing	Onset BIDCO, Inc. ⁴
Marquette	Shorebank BIDCO, Inc. ⁵
Portage	Arcadia BIDCO Corporation

¹ Formerly known as Jackson BIDCO, Ltd.

² Acquired Discovery BIDCO, Inc. in 1995 and Great Lakes BIDCO, Inc. in 1996.

³ Formerly known as Northern Michigan BIDCO, Inc.

⁴ Acquired by Access BIDCO, Inc. in 1993.

⁵ Formerly known as North Coast BIDCO, Inc.